



# **Request for Proposal**

For Health Insurance  
Brokerage Services

## **NOTICE**

### **REQUEST FOR PROPOSALS FOR**

Health Insurance Brokerage Services  
For Bountiful City Corporation

**RFP AVAILABLE:** Monday, January 11, 2016

**PROPOSALS DUE:** Thursday, January 28, 2016

**PROJECT NAME:** Insurance Brokerage Services

**PROJECT DESCRIPTION:** Bountiful City Corporation, acting through its Department of Human Resources, invites the submission of Proposals from firms with expertise and experience in providing Health Insurance Brokerage Services for the City.

**OWNER:** Bountiful City Corporation  
790 South 100 East  
Bountiful, UT 84010

**CONTACT:** Shannon Cottam  
[scottam@bountifulutah.gov](mailto:scottam@bountifulutah.gov) (email only)  
All questions shall be submitted in writing no later than noon on  
Thursday, January 21, 2016.

**Bountiful City reserves the right to reject any or all proposals received. Furthermore, the City shall have the right to waive any informality or technicality in proposals received when in the best interest of the City.**

#### **I. Introduction**

Bountiful City operates under a Six Member Council form of government, one of which is the Mayor. The City Manager is the Chief Administrative Officer of the City.

An insurance committee has been formed by Bountiful City to make recommendations concerning what health insurance products are provided, benefit levels, and selection of insurance providers. The Bountiful City Insurance Committee also reviews insurance utilization and cost. The committee has the responsibility to periodically bid group insurance products and review proposals from benefit providers. The agent, agency, consultant selected will be highly involved in assisting the Bountiful City Insurance Committee in fulfilling these functions.

Companies with demonstrated experience in providing the services addressed herein and with an interest in making their services available to Bountiful City are invited to respond to the RFP. For purposes of this RFP, **"Respondents"** means the companies or individuals that submit Proposals in response to this RFP. The documents submitted will be referred to as **"Proposals"**.

The selected Respondent shall perform all Services and functions associated with Insurance Brokerage Services as required in this RFP. The services contemplated are professional in nature.

The Respondent must be financially solvent and each of its members, if a joint venture, its employees, agents or subcontractors of any tier shall be competent to perform the services required under this RFP document.

## **II. Scope of Project**

Bountiful City Corporation is seeking proposals from interested consultants to advise the City on medical plans, dental plans and ancillary health insurance plans (LTD, Life, Cafeteria plans, etc.) and to represent the City in finding, evaluating and negotiating with insurance providers. Respondents must be willing to, as requested by the City, prepare bid specifications and solicit proposals annually from insurance markets, as well as services outlined in Section III of this document.

Compensation will be primarily through the brokerage fees paid by the insurance providers. Bountiful City Corporation's intention is to negotiate a compensation package that is equivalent to the brokerage fees paid by current providers. However, the City will also consider alternate fee proposals, including annual and additional service rates for more comprehensive services, although selection will not be based solely upon price.

## **III. Content of Proposal**

Proposals should include all the Respondent information and proposed services requested below. Please submit five (5) copies of the proposals. Proposals should be limited to 30 pages.

- Provide a company overview including a brief history and number of current clients. Please describe what differentiates your organization from your competitors. Provide a listing of the insurance carriers and vendors with which your organization bids and places insurance contracts.
- Describe your organization's strength in the marketplace and your ability to effectively negotiate with insurance companies and your strength in resolving problems as they arise.

- Describe the account team that would work on our account, the responsibilities of each member, their background, and tenure with your firm. Bountiful City must approve any changes to this assignment prior to going into effect. Members of this team must be available for a follow-up interview if required.
- Describe the processes, tools, and resources you will use to help the City evaluate, negotiate and manage contracts with the following insurance carriers:
  - Medical Insurance
  - Dental Insurance
  - Vision Insurance
  - Flexible Spending Account Administrators
  - Health Savings Account Administrators
  - Basic Life Insurance
  - Supplemental Life Insurance
  - AD&D Insurance
  - Long Term Disability
  - Other Carriers as Requested
- Provide information regarding how you keep clients apprised of compliance requirements and changes for ACA, HIPPA, COBRA, Medicare Part D and other issues. Describe the qualifications of any in-house legal advisors who are available to provide counsel to your clients.
- Describe what benefit plan summaries, newsletters, updates and other informative publications you publish and routinely provide to your clients. Describe any continuing education opportunities that are available to your clients and any other types of Human Resource consulting services you offer if needed by our organization.
- Answer the following questions related to Fees & Commissions:

What is your protocol for disclosure of compensation, i.e. transparency? (Including any form of supplemental, contingent or override compensation from insurers relative to the placement of our programs.)

How does your firm communicate to the client your compensation structure?

What are your standard commission or fee arrangements?

Identify all sources of compensation to you from services rendered to the City.

Please provide a detailed scope of services list indicating the services included in your proposed annual fee.

With regard to commissions:

- a. What is your firm's opinion and approach to commissions?
  - b. What are the pros and cons of commissions?
  - c. Do commissions affect a carrier's service?
- Provide at least three (3) references of current clients with public entity, municipal and school district employee benefit plans. Provide for each reference: name of company, number of employees, contact name and title, address and telephone number.
  - Establish a timeline of your services in preparing for the City's July 1, 2016 renewal options. Include information on the process to evaluate bids and bidders.

#### **IV. Terms of Contract**

It is anticipated that Bountiful City will enter into an initial 2 year contract with the successful Respondent effective March 1, 2016 and could be renewed on a year to year basis. This contract may be cancelled at any time within 30 days of written notice from either Bountiful City or the agent/agency.

#### **V. Preparation of Proposals**

- **Failure to Read.** Failure to read the Request for Proposal and these instructions will be at the Respondent's own risk.
- **Cost of Developing Proposals.** All costs related to the preparation of the proposals and any related activities are the sole responsibility of the Respondent. The City assumes no liability for any costs incurred by Respondent throughout the entire selection process.

#### **VI. Proposal Information**

- **Equal Opportunity.** The City will make every effort to ensure that all Respondents are treated fairly and equally throughout the entire advertisement, review and selection process. The procedures established herein are designed to give all parties reasonable access to the same basic information.

- **Proposal Ownership.** All proposals, including attachments, supplementary materials, addenda, etc. shall become the property of the City and will not be returned to the Respondent.
- **Rejection of Proposals.** The City reserves the right to reject any or all proposals received. Furthermore, the City shall have the right to waive any informality or technicality in proposals received when in the best interest of the City. The City also reserves the right to change any dates or deadlines at any time.

## **VII. Selection Process**

- The Bountiful City Insurance Committee will review the proposals using the evaluation criteria listed below.
- After evaluation of the proposals, finalists will be asked to make a 30 minute presentation to the Bountiful City Insurance Committee between February 1 and February 11, 2016.
- Final selection will be based on Bountiful City's assessment of the written proposal and the formal presentation.

## **VIII. Evaluation Criteria**

- Reputation and expertise in providing insurance consulting among similar clients.
- Ability to negotiate rates and benefits.
- Understanding of Bountiful City's products and suggestions for future considerations.
- General services offered.
- Other

## ADDITIONAL INFORMATION

- Bountiful City currently has 168 eligible full-time employees and 6 eligible City Council members for a total of 174 employees. Two employees have opted out of medical insurance coverage, so we are insuring 172. Our plans are fully insured. Dental is a voluntary plan and we have 123 employees participating. Vision is a voluntary plan and we have 45 employees participating.
- Our current carriers are as follows:

Medical	SelectHealth & Aetna
Dental	Total Dental Administrators
Vision	Educators Mutual
LTD	Utah State Disability
Flexible Spending	National Benefit Services
Health Savings	Health Equity & Payflex
Group Term Life	The Hartford
Supplemental Life	The Hartford
AD&D	PEHP
Cancer & Critical Illness	Humana
Other	AFLAC
- Our current broker is paid commissions through the insurance carriers. We are not dissatisfied with our current broker relationship. We have advertised a Request for Proposal because we think it is in the best interest of the citizens of Bountiful to periodically review what is available in the marketplace for most services. We do not have a long term strategic plan for our benefits.
- We have been using online enrollment through our broker's website but will be migrating our open enrollment this year to an internal payroll and benefits software.
- We have an internally administered Wellness Program. It is managed by our Employee Committee. This year we are utilizing some components of Lakeview Hospital's H2U program.
- Our ACA reporting compliance is being handled through our internal payroll software. We are not using a third party administrator to meet these requirements.
- Proposals will be evaluated as stated in Section VIII of the Request for Proposal.
- Since Bountiful City is subject to open records requirements, we are not able to allow a privacy policy in the proposal. We also prefer not to have the proposals include our logo.